

**Comptroller of the Currency
Administrator of National Banks**

Washington, DC 20219

April 13, 1998

Tamara Capper, Esq.
Office of the General Counsel
Federal Election Commission
999 E St. NW
Washington, DC 20463

Re: Pre-MUR 354

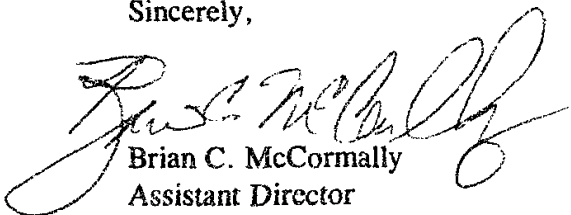
Dear Ms. Capper:

Enclosed please find the documents requested by your office relating to Hamilton Bank, N.A. ("Bank"), and the referral which the OCC sent to the FEC involving the Bank.

As you are aware from your discussion today with Alan Burch, an attorney on my staff, the Right to Financial Privacy Act prevents the OCC from disclosing documents with customer names or other identifying information. Accordingly, the names of Bank customers have been redacted from certain documents where they appear. If you need to review the originals, you may make arrangements to do so here at the OCC, though we cannot allow duplication of the originals.

If you would like to discuss the matter further, please do not hesitate to call me at (202) 874-4800.

Sincerely,



Brian C. McCormally
Assistant Director
Enforcement & Compliance

enclosures

JUL 21 1997

**HAMILTON
BANK, N.A.**

July 17, 1997

District Counsel H. Gary Pannell
Comptroller of the Currency Southeastern District
Marquis 1 Tower Suite 600
245 Peachtree Center Avenue, N.E.
Atlanta, GA 30303-1223

Dear Mr. Pannell,

In regards to your review of the \$50,000 payment made to the Democratic National Committee (DNC) we would like to summarize the process followed by Senior Management to determine that the payment was a permissible transaction.

Senior management requested our former in house counsel to review the law and determine that the payment was permissible. In house counsel obtained a copy of the law and requested outside counsel to research and advise us on the matter. Attached is the copy of our former in house counsel letter confirming the events and a copy of outside counsels invoice.

A discussion was held at the board meeting related to the payment made to the DNC and in house counsel proceeded to be advised that the payment could be made to the "Building Fund".

At that time we proceeded to make the payment with the advice of counsel and the intent of this payment was to be for the "Building Fund". However, the documentation (our purchase order) prepared in house was not updated to reflect this research and unfortunately the check is not clear on the "Building Fund" designation. Nonetheless, both our in house counsel and myself had spoken to the Democratic National Committee's general counsel and other representatives of the DNC which were advised that the only way this payment would be made was if it was permissible and that it would have to be made to the "Building Fund".

I would like to re-emphasize to you the intent of other contribution and our communication with the DNC was to make a contribution to the Building Fund of the DNC.

I am available to answer any questions or any additional information you may need, please do not hesitate to contact me at (305) 717-5620.

Sincerely,

Maria F. Diaz

Maria F. Diaz
Senior Vice President, Finance

CC: C. Wayne Crowell
Al Carasa

Main Office: 3750 N.W. 37th Avenue Miami, Florida 33178 Phone (305) 717-5500 Fax (305) 590-0900

Miami • West Palm Beach • Sarasota • Winter Haven • Tampa



FDIC

Armin G. Seifart

July 17, 1997

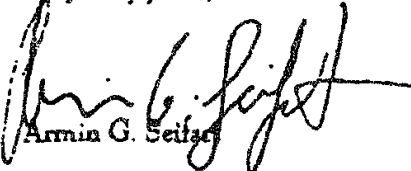
J. Reid Bingham, Esq.
Hamilton Bank, N.A.
3750 N.W. 87th Avenue
Miami, FL 33178

RE: Contribution to the Democratic National Committee Building Fund

Dear Mr. Bingham:

Pursuant to your request, I confirm that with respect to the contribution made by Hamilton Bank, N.A. to the Democratic National Committee's Building Fund in April of 1996, outside counsel was consulted and advice was sought. As the billing records which you have in your file show, I spoke with attorneys at Kirkpatrick & Lockhart LLP's Washington, D.C. office who performed research at my request and further directed me to the rules and regulations of the Federal Election Commission. I reviewed such regulations and the facts surrounding a possible contribution to the "building fund" of a political party with such outside counsel. After such consultation and prior to the contribution being made, the Democratic National Committee's General Counsel was asked to produce the opinion, dated April 24, 1996, which you also have in your file.

Very truly yours,


Armin G. Seifart

Democratic National Committee

Steve Greenman, National Chair • Governor Roy Roman, General Chair

JUN 24 1997

June 16, 1997

Maria Diaz
Senior Vice President—Finance
Hamilton Bank
3750 N.W. 87th Avenue
Miami, Florida 33178

Dear Ms. Diaz:


This will address the question you raised about the contribution made by Hamilton Bank to the Democratic National Committee on or about April 30, 1996, in the amount of \$50,000.

This contribution was inadvertently deposited in the DNC's non-federal corporate account, but should have been deposited in the DNC's Building Fund account. This was an error by the DNC staff who processed the contribution and does not reflect any mistake on the part of the Bank.

The DNC will immediately transfer this contribution from the non-federal corporate account to the Building Fund, and correct its records accordingly.

If you have any questions concerning the above, or need additional information, please do not hesitate to contact me at 202-863-7110.

Sincerely yours,


Joseph E. Sandler
General Counsel

cc: Brad Marshall
Neil Ruff



DEMOCRATIC NATIONAL COMMITTEE

Donald L. Fowler, National Chair • Christopher J. Dodd, General Chair

Maria

Go to Maria Jones

November 15, 1996

Mr. Edwardo Masferrer
Chairman
Hamilton Bank
3750 Northwest 87th Avenue
Miami, FL 33178

Dear Edwardo:

I would like to thank you for your generous support and tremendous efforts on behalf of President Clinton's reelection campaign and the Democratic Party. Due to your generosity, we were able to raise a record breaking \$120 million in 1996, surpassing 1992's record by \$50 million. We are extremely grateful for your important role in helping us carry out such key campaign components such as polling, media and get out the vote operations. Each of these were crucial to a successful election.

I have thoroughly enjoyed the opportunity to work with you and thank you once again for your tremendous efforts.

Sincerely,

A handwritten signature in cursive script, appearing to read "Richard Sullivan".

Richard Sullivan
National Finance Director

FROM: ERNST/YOUNG

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PAGE 2

ERNST & YOUNG LLP
Financial Advisory Services Group
1225 Connecticut Avenue, N. W.
Washington, D. C. 20036
Telephone: (202) 327-5876
Facsimile: (202) 327-6226

To: Jack Saume

305-717-5540 fax #.

The accounting firm of Ernst & Young LLP has been retained to confirm certain information about contributions to the Democratic National Committee (the "DNC").

We tried to speak with someone from your company on the telephone, but we either were unable to reach anyone or were asked to send our request for information to the company in writing.

According to the DNC's records, your company's name is:

Hamilton Bank

and it made the following contribution to the DNC:

Amount: \$0.000

Date: 4/30/96

Would you please answer the following questions to confirm your contribution and that it is in compliance with federal law:

1. Your name: _____
2. Your company's name: _____
3. Your title or position: _____
4. Your phone number: _____
5. Is the amount of your company's contribution listed above correct:
_____ Yes _____ No

HAMILTON BANK
MIAMI, FL

EXPENSE CHECK

DATE: 04-26-97

CONTROL NUMBER: 043264

CHECK NOT VALID AFTER SIX MONTHS FROM DATE OF ISSUE

PAY TO THE ORDER OF: THE SUM OF \$50,000.00

AMOUNT: \$50,000.00

DEMOCRATIC NATIONAL COMMITTEE
430 SOUTH CAPITOL STREET, S.E.
WASHINGTON, D.C. 20003

AUTHORIZED SIGNATURE: [Signature]

NON-NEGOTIABLE

043264 1066011444 20051614 936

PLEASE DETACH BEFORE REPORTING
TO THE PORT OF ENTRY FOR YOUR RECORDS

CHECK NO.

DESCRIPTION: R2: ANNUAL TRUSTED MEMBERSHIP

\$ 50,000.00

043264 CONTROL NUMBER

Prepared By: Memberships

Requested By: _____ (Division he)

Reviewed By: _____ (V.P. Hum. R)

Approved By: Maria F. Diaz (V.P. Finar)

(if needed) [Signature] (Chairman/C)

(if needed) _____ (Dire)

(if needed) _____ (Dire)

To be filled in by Purchasing Department:

Date Ordered: _____

Ordered From: _____

Phone: () _____

P.O.C.: _____

DATE: 04/26/97

PRO NUMBER: 043264

ACCT NO: 043264

CHECK NO: 043264

AMOUNT: \$50,000.00

APPROVED BY: [Signature]



Date: 4/18/96 Cost Center Number: 210
From: _____ Division / Department
To: PURCHASING DEPARTMENT
Please purchase the items listed below for the following purpose:

Please purchase the items listed below for the following purpose:

Democratia - National - Committee
Annual Trustee Membership

DESCRIPTION OF ITEMS	QUANTITY	EST. PRICE	To be completed by Purchasing Dept.	
			UNIT PRICE	EXTENDED PRICE
<i>Trustee</i>	<i>\$50,000</i>			
		TOTAL COST:		

Suggested source of supply:

PALU

1 Year Ago

Prepared By: Memberships -

Requested By: _____ (Division)

Reviewed By: _____ (V.P. Hum)

Approved By: Manuel F. Diaz (V.P. Fin)

(if needed) X _____ (Chairman)

(if needed) _____ (D)

(if needed) _____ (D)

To be filled in by Purchasing Department:

Date Ordered:

Ordered From:

Phone. (

P.O.C.:

DATE: 4/26/78
R# Number: 0111
ACCT NO: 026-157
VENUE: 0474
CHECK NO: 033 64
AMOUNT: 50,000.00
APPROVED BY: [Signature]

APPROVED BY: [Signature]
[Signature]

DEMOCRATIC NATIONAL COMMITTEE

Donald L. Fowler
National C. Dir.

Christopher J. Dir.
General C. Dir.

OFFICE OF THE GENERAL COUNSEL
FAX TRANSMITTAL SHEET

DATE: 4-24-96 / 4/25/96 FAXED: VERIFIED BY:

TO: Armin Seifart, Deputy General Counsel, Hamilton Bank

ATTN: MARIA

OF PAGES: (including cover): 3 FAX #: 205-777-5631

FROM: Joe Sandler, General Counsel, DNC

PHONE #: JOE SANDLER 202-463-7110, WANDA WHEELER 202-463-7106, NTR REFF 202-479-5111

IF YOU HAVE ANY PROBLEMS WITH THIS TRANSMISSION,

PLEASE CALL AT (202)

COMMENTS: Per your request.

PHONE #: (202) 863-8000

FAX #: (202) 863-8081/8012

THIS MESSAGE IS INTENDED ONLY FOR THE USE OF THE INDIVIDUAL OR ENTITY TO WHICH IT IS ADDRESSED. THIS MESSAGE MAY CONTAIN INFORMATION THAT IS PRIVILEGED, CONFIDENTIAL AND EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAW. IF THE READER OF THIS MESSAGE IS NOT THE INTENDED RECIPIENT OR THE EMPLOYEE OR A AGENT RESPONSIBLE FOR DELIVERING THE MESSAGE TO THE INTENDED RECIPIENT, YOU ARE NOTIFIED THAT ANY DISSEMINATION, DISTRIBUTION, OR COPYING OF THIS COMMUNICATION IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS COMMUNICATION IN ERROR, PLEASE NOTIFY US IMMEDIATELY BY TELEPHONE AND RETURN THE ORIGINAL MESSAGE TO US AT THE ADDRESS BELOW VIA THE U.S. POSTAL SERVICE. THANK YOU.



DEMOCRATIC NATIONAL COMMITTEE

* Donald L. Fowler, National Chair * Christopher J. Dodd, General Chair

April 24, 1996

Armin Seifart, Esq.
Deputy General Counsel
Hamilton Bank
3750 N.W. 87th Ave.
Miami, Florida 33178

Dear Mr. Seifart:

Per your request, this will confirm that it is lawful for the Democratic National Committee to accept a contribution to its Building Fund account from a national bank.

Section 316(a) of the Federal Election Campaign Act of 1971, as amended ("FECA"), 2 U.S.C. § 441b(a), provides, in pertinent part, that:

It is unlawful for any national bank... to make a contribution or expenditure in connection with any election to any political office...

FECA provides that the term "contribution", when used in the FECA, is defined to exclude:

any gift, subscription, loan, advance or deposit of money or anything of value to a national or State committee of a political party specifically designated to defray any cost for construction or purchase of any office facility not acquired for the purpose of influencing the election of any candidate in any particular election for Federal office.

2 U.S.C. §431(8)(B)(viii). The FEC's regulations, 11 C.F.R. § 114.1(a)(2)(ix), further provide that:

For purposes of part 114 and section 12(h) of the Public Utility Holding Company Act (16 U.S.C. 791(h))--

(2) The term contribution and expenditures shall not include--

(ix) A gift, subscription, loan, advance, or deposit of money or anything of value to a national committee of a political party or a State committee of a political party which is specifically designated for the purpose of

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Mr. Armin Seifart
April 24, 1996
Page 2

defraying any cost incurred with respect to the construction or purchase of any office facility which is not acquired for the purpose of influencing the election of any candidate in any particular election for federal office. . . .

This regulation makes clear that a political party committee may accept such donations to a building fund from a national bank, since such a donation does not constitute a "contribution" for purposes of the ban on corporate contributions in connection with any election set forth in 2 U.S.C. § 441b(a) of FECA and part 114 of the Commission's regulations.

The DNC Building Fund is a separate bank account, into which are deposited only contributions designated for the "Building Fund," and the funds in which are used only for a purpose permitted by 2 U.S.C. § 441(8)(B)(viii) and 11 C.F.R. § 114.1(a)(2)(ix), i.e., to defray the costs of purchasing the Democratic National Headquarters building. None of the funds in the Building Fund are used in connection with any federal, state or local election or for any purpose whatsoever other than to defray the costs of the purchasing the Democratic National Headquarters building.

For these reasons, a donation to the DNC Building Fund does not constitute a "contribution" for purposes of 15 U.S.C. § 791(h), accordingly, a national bank may lawfully make a donation, without limitation in amount, to the DNC Building Fund.

Checks to the Building Fund should be made payable to "DNC--Building Fund."

It should be noted that all contributions to the DNC Building Fund are publicly disclosed on the reports filed by the DNC with the FEC.

It should also be noted that contributions to the DNC Building Fund are not tax-deductible.

If you have any questions or need further information concerning the above, please do not hesitate to contact me at 202-363-7110.

Sincerely yours,

Joseph E. Sandler
Joseph E. Sandler
General Counsel



DEMOCRATIC NATIONAL COMMITTEE

Donald L. Fowler, National Chair • Christopher J. Dodd, General Chair

April 1, 1996

Eduardo A. Masferrer
Chairman
Hamilton Bank, N.A.
3750 N.W. 87th Avenue
Miami, Florida 33178

LLD

Dear Eduardo,

This letter will confirm the various conversations you have had with Charles Dusseau about becoming a Trustee of the Democratic National Committee. I can tell you from personal experience that the business networking opportunities and results I have had over the years, have made this investment one of the most effective I have made.

Trustees are invited to attend a minimum of one White House Dinner with the President and First Lady, along with Key Cabinet and Administration People in the State dining room. You are invited during the year to an assortment of small receptions and dinners, including with Cabinet members, key White House people and the Principals. Trustees are an honored guest at any Presidential or Vice Presidential fundraiser in the country. You will also receive VIP status at the Democratic National Convention, which will include parties, etc. and the use of a sky box. You will receive preferential treatment for appointments to Boards and Commissions. In addition, you will be assigned a contact at the DNC to assist you with any of your needs in Washington, D.C., tickets, appointments, etc. In your case, I will personally be there to assist.

In the immediate future, you have the opportunity to attend a small dinner with the President in Washington. These dinners usually have around twelve people, seated at the same table with the President, and last for a few hours of high quality dialogue. We have dinners scheduled on April 4th, 8th and 11th and a few small coffees at the White House during April, with a similar format. By acting now, you will also have a gold ring table at the April 29th Presidential Gala in Miami and be invited to a dinner afterwards with the President and twenty participants.


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Master letter
Page two

In addition, there are a number of possibilities we can discuss in person, regarding benefits in relation to Hamilton Bank's Latin American activities, which would include State Department, Commerce Department, White House (McClarty), Treasury, Exim Bank, IDB, OPIC and others. The annual Union membership is \$50,000, made payable to the Democratic National Committee.

Thank you for your serious consideration of the above. Please let me know if I can be of further assistance. I'll look forward to hearing from you.

Warm regards,


Howard M. Glick
Director
National Finance Board

CC: Charles Dusseau